GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:7872
ANSWERED ON:17.05.2002
DEMAND AND SUPPLY OF VANASPATI
A. VENKATESH NAIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the demand for vanaspati is in excess of its production;

(b) if so, the details of demand and supply of vanaspati during the year 2001-2002;

(c) the steps being taken by the Government to meet the demand in full; and

(d) the steps taken to make the country self-sufficient and to reduce the burden of import bill of vanaspati?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a)&(b): Demand for Vanaspati has not been separately assessed. Demand includes the indigenous production of Vanaspati and the import of Vanaspati from Nepal under Indo-Nepal Treaty of Trade. The production of Vanaspati has been estimated as 14.75 lakh MT in the year 2001-2002. In addition in the revised Indo-Nepal Treaty of Trade, 1 lakh MT of Vanaspati will be importedin the country at no custom duty. Thus, the demand of Vanaspati during the 2001-2002 will be around 15.75 lakh MT.

(c)&(d): Some of the steps taken by the Government to meet the demand in full, to make the country self-sufficient and to reduce the burden of import bill of Vanaspati are as under:-

(i) Vegetable oil industry including Vanaspati industry has been de-licensed w.e.f. 25th July,1991;

(ii) Under Indo-Nepal Treaty of Trade, 1 lakh MT of Vanaspati will be imported in the country free of custom duty canalized through Central Warehousing Corporation (CWC);

(iii) 4% Special Additional Duty (SAD) has been levied on import of Vanaspati from Nepal;

(iv) Assistance for Oil Palm Development Programme;

(v) Better incentives to producers through fixation of Minimum Support Price (MSP) of majoroilseeds;

(vi) Intensification of research efforts for increasing production of oilseeds;

(vii) Use of indigenous oils in the manufacture of Vanaspati to at least 25% of the production on a monthly basis has been made mandatory. Also, higher use of expeller mustard oil in the manufacture of Vanaspati up to 30% has also been allowed;

(viii) In order to harmonise the interest of processors and consumers and to regulate large import of edible oils to the extent possible, the duty structure on edible oils is revised from time to time.